

ASSEMBLY BILL

No. 1551

Introduced by Assembly Member Torres

January 26, 2012

An act to amend Sections 488.5 and 557.5 of the Insurance Code, and to amend Section 16051 of the Vehicle Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1551, as introduced, Torres. Insurance: public safety employees: accidents.

Existing law provides that no insurer shall, in issuing or renewing a private automobile insurance policy to a peace officer, member of the Department of the California Highway Patrol, or firefighter, with respect to his or her operation of a private motor vehicle, increase the premium on that policy for the reason that the insured or applicant for insurance has been involved in an accident while operating an authorized emergency vehicle, as defined, in the performance of his or her duty during the hours of his or her employment.

This bill would also provide that no insurer shall, in issuing or renewing a private automobile insurance policy to a peace officer, member of the Department of the California Highway Patrol, or firefighter, with respect to his or her operation of a private passenger motor vehicle, increase the premium on that policy for the reason that the insured or applicant for insurance has been involved in an accident while operating his or her private passenger motor vehicle in the performance of his or her duty at the request or direction of the employer.

Existing law provides that a peace officer, member of the Department of the California Highway Patrol, or firefighter shall not be required to

report any accident in which he or she is involved while operating any employer-leased or employer-rented vehicle, in the performance of his or her duty during the hours of his or her employment, to any person who has issued that peace officer, member of the Department of the California Highway Patrol, or firefighter a private automobile insurance policy.

This bill would additionally provide that a peace officer, member of the Department of the California Highway Patrol, or firefighter shall not be required to report, and the employer of the same may not request or require that a peace officer, member of the Department of the California Highway Patrol, or firefighter report, any accident in which he or she is involved while operating a private passenger motor vehicle at the request or direction of his or her employer in the performance of the employee's duty to any person who has issued that peace officer, member of the Department of the California Highway Patrol, or firefighter a private automobile insurance policy.

The bill would also provide that in the event of a loss or injury that occurs during any time period when the vehicle is operated at the request or direction of the employer in the performance of the employee's duty, the vehicle's owner shall have no liability, and the employer shall be considered the owner of the vehicle for liability purposes. The bill would require that a good faith delay by an employee in reporting the accident to his or her private passenger motor vehicle liability insurer, under the circumstances described, cannot be used by the insurer as a basis to claim delayed reporting, noncooperation, prejudice, or the like as a means of avoiding the defense or indemnity obligations that would otherwise exist under the terms of the automobile liability insurance policy or applicable law in the absence of delayed reporting.

The bill would make conforming changes relating to proof of financial responsibility, in the event of an accident involving a private passenger motor vehicle operated on behalf of a public agency.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 488.5 of the Insurance Code is amended
- 2 to read:
- 3 488.5. (a) ~~No~~An insurer shall *not*, in issuing or renewing a
- 4 private automobile insurance policy to a peace officer, member of

1 the *Department of the* California Highway Patrol, or firefighter,
 2 with respect to his or her operation of a private *passenger* motor
 3 vehicle, increase the premium on that policy for the reason that
 4 the insured or applicant for insurance has been involved in an
 5 accident while operating an authorized emergency vehicle, as
 6 defined in subdivision (a) or (f) of Section 165 of the Vehicle Code
 7 or in paragraph (1) or (2) of subdivision (b) of Section 165 of the
 8 Vehicle Code, *or any employer-leased vehicle or employer-rented*
 9 *vehicle*, in the performance of his or her duty during the hours of
 10 his or her employment, *or was involved in an accident while*
 11 *operating his or her private passenger motor vehicle in the*
 12 *performance of his or her duty at the request or direction of the*
 13 *employer.*

14 (b) ~~No~~ An insurer shall *not*, in issuing or renewing a private
 15 automobile insurance policy to a federal officer or federal customs
 16 agent, with respect to his or her operation of a private motor
 17 vehicle, increase the premium on that policy for the reason that
 18 the insured or applicant for insurance has been involved in an
 19 accident while operating an official government vehicle in the
 20 performance of his or her duty during the hours of his or her
 21 employment.

22 (c) As used in this section:

23 (1) "Peace officer" means every person defined in Chapter 4.5
 24 (commencing with Section 830) of Title 3 of Part 2 of the Penal
 25 Code.

26 (2) "Policy" shall have the same meaning as defined in
 27 subdivision (a) of Section 660.

28 SEC. 2. Section 557.5 of the Insurance Code is amended to
 29 read:

30 557.5. ~~No~~ (a) A peace officer, member of the *Department of*
 31 *the* California Highway Patrol, or firefighter shall *not* be required
 32 ~~to report any report, nor shall any employer of the same be~~
 33 *authorized to request or require that a peace officer, member of*
 34 *the Department of the California Highway Patrol, or firefighter*
 35 *report, any accident in which he or she is involved while operating*
 36 *an authorized emergency vehicle, as defined in subdivision (a),*
 37 *(b), or (f) of Section 165 of the Vehicle Code, or any*
 38 *employer-leased or employer-rented vehicle in the performance*
 39 *of his or her duty during the hours of his or her employment,*
 40 *vehicle, or any private passenger motor vehicle that is owned,*

1 leased, or rented by the employee, if operated at the request or
2 direction of the employer in the performance of the employee's
3 duty to any person who has issued that peace officer, member of
4 the Department of the California Highway Patrol, or firefighter a
5 private automobile insurance policy.

6 (b) (1) Notwithstanding any other provision of law or any
7 provision in a private passenger motor vehicle owner's automobile
8 liability insurance policy, in the event of a loss or injury that occurs
9 during any time period when the vehicle is operated at the request
10 or direction of the employer in the performance of the employee's
11 duty, the vehicle's owner shall have no liability. The employer
12 shall be considered the owner of the vehicle for the purpose of
13 Section 17150 of the Vehicle Code, and any losses shall be borne
14 solely by the employer.

15 (2) Notwithstanding any other provision of law, the employer
16 shall assume liability for a claim in which a dispute exists as to
17 whether the employer directed or requested the employee to use
18 the private passenger motor vehicle when the loss occurred that
19 gave rise to the claim. The private passenger motor vehicle insurer
20 that insures the vehicle shall reimburse the employer to the extent
21 of the insurer's obligation under the applicable automobile liability
22 insurance policy if it is subsequently determined that the employer
23 did not direct or request the employee to use the private passenger
24 motor vehicle when the loss occurred that gave rise to the claim.

25 (3) A good faith delay by an employee in reporting the accident
26 to his or her private passenger motor vehicle liability insurer,
27 under the circumstances described in this section, shall not be
28 used by the insurer as a basis to claim delayed reporting,
29 noncooperation, prejudice, or the like as a means of avoiding the
30 defense or indemnity obligations that would otherwise exist under
31 the terms of the automobile liability insurance policy or applicable
32 law in the absence of delayed reporting.

33 ~~As~~

34 (c) As used in this section:

35 ~~(a)~~

36 (1) "Peace officer" means every person defined in Chapter 4.5
37 (commencing with Section 830) of Title 3 of Part 2 of the Penal
38 Code.

39 ~~(b)~~

1 (2) “Policy” shall have the same meaning as defined in
2 subdivision (a) of Section 660.

3 (3) “*Private passenger motor vehicle*” or “*private motor*
4 *vehicle*” means a motor vehicle that is insured under a personal
5 automobile liability insurance policy insuring a single individual
6 or individuals residing in the same household as the named
7 insured, but does not include a vehicle with less than four wheels.

8 SEC. 3. Section 16051 of the Vehicle Code is amended to read:

9 16051. (a) Evidence may be established by filing a report
10 indicating that the motor vehicle involved in the accident was
11 owned, rented, or leased by or under the direction of the United
12 States, this state, or any political subdivision of this state or
13 municipality thereof.

14 (b) *Evidence may be established by filing a report indicating*
15 *that the motor vehicle involved in the accident was owned and*
16 *operated by a peace officer, member of the Department of the*
17 *California Highway Patrol, or firefighter in the performance of*
18 *his or her duty, and at the request of or under the direction of the*
19 *United States, this state, or any political subdivision or*
20 *municipality of this state.*